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Held at Headquarters, New York, on Thursday, 20 November 1997, at 10 a.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Ms. Daes (Vice-Chairman) ..... (Greece)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.10 a.m.

Agenda item 113: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/52/261, 381 and 518)

(b) United Nations Institute for Training and Research (*continued*) (A/52/5/Add.4)

(c) Voluntary funds administered by the United Nations High Commissioner for Refugees (*continued*) (A/52/5/Add.5)

1. **Ms. Beavais** (Canada), speaking also on behalf of Australia and New Zealand, expressed support for the recommendations of the Board of Auditors and hoped that the organizations concerned would implement them without delay, particularly those dating back to 1993 and 1994 that had not yet been carried out.

2. She expressed concern that the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) still did not conform fully with the United Nations system accounting standards. It was also regrettable that the Board of Auditors had once again identified problems with regard to the use of consultants by UNHCR. Her delegation, like the Advisory Committee on Administrative and Budgetary Questions, considered that for projects below $100,000, there should be at least one audit during the life of each project.

3. With regard to the new operations management system, her delegation would like to know when the system would be operational, if it would include performance indicators, and how results would be monitored in terms of objectives.

4. With respect to programme delivery and administrative support costs, which were high and varied widely, she felt that the Administration should include in its review the overhead costs charged in addition to programme delivery and administrative support costs to the Trust Fund programmes for Headquarters administrative expenditures, which varied from 2 to 23 per cent.

5. She noted with concern that the issue of the debt incurred by the United Nations Institute for Training and Research (UNITAR) had still not been resolved. She agreed with the recommendation by the Advisory Committee that the United Nations should seek the advice of the Office of Legal Affairs on the matter.

6. **Mr. Hanson-Hall** (Ghana) said that his delegation fully supported the statement made by the Group of 77 and China on agenda item 113. His delegation was concerned by the fact that previous recommendations by the Board of Auditors concerning the United Nations High Commissioner for Refugees (UNHCR) had not been fully implemented (para. 5 of A/52/261). His delegation supported the Board's observation concerning the recording of advances to implementing partners (para. 6 of A/52/261) and noted with satisfaction that the High Commissioner had decided to make the audit certification clause mandatory for all accounts as at 1 January 1997 (para. 6 of A/52/381). As at 30 June 1997, financial reports had not been received in respect of $442.6 million. It was essential that the implementing partners should provide the Organization with the necessary financial information expeditiously. Furthermore, the Executive Committee of UNHCR should provide policy directives on the submission of project monitoring reports, including reports on projects executed by Governments.

7. With regard to the findings of the Board on programme management, which were worrying to his delegation, he noted that the rates charged for programme delivery and administrative support for general programmes varied from 32 per cent to 48 per cent of the total programme budget. UNHCR should review programme delivery and administrative support costs, establish norms, strengthen the preparation of work plans and intensify efforts to obtain project monitoring reports. With regard to the management of the Organization's assets, his delegation supported the recommendation of the Board of Auditors that the MINDER system should be upgraded to enable electronic transfer of data from the procurement system to the asset management system and agreed with the Board that the Administration should undertake a physical verification of all assets. UNHCR should consider acquiring an integrated asset management system, as recommended by the Advisory Committee (para. 11 of A/52/518).

8. The problems identified by the Board of Auditors with regard to the use of consultants called for corrective measures: the UNHCR Administration should provide guidance on preparing terms of reference and ensure that a central consultants roster was maintained with up-to-date information.

9. Ghana was disappointed that UNITAR had not fully implemented previous recommendations of the Board of Auditors. The Institute should draw up and implement an appropriate strategy for dealing with the deficit balances in a number of Special Purpose Grant Fund projects (paras. 17 and 19 of A/52/261) and should resolve its disagreement with the Organization concerning expenses incurred in New York after UNITAR had moved to Geneva. The Institute should also secure sufficient income to meet costs, as recommended by the Board, which was justifiably concerned

at the shortfall in the General Fund. With respect to programme management, his delegation supported the recommendations made by the Board in paragraph 11 of its report.

10. He noted with satisfaction the dialogue between the Audit Operations Committee of the Board of Auditors and the competent departments of the audited bodies on following up the Board's recommendations and with the Office of Internal Oversight Services aimed at synchronizing audit programmes. That dialogue would ensure an atmosphere of trust, which was essential for the Organization's smooth operation.

11. Referring to the terms of office of the members of the Board, he agreed with the Board that a six-year term would bring the cycle of appointments into alignment with the biennial accounting cycle, ensure a smooth pattern of rotation and enable Board members to become familiar with the organizations audited.

12. **Mr. Sial** (Pakistan) said that his delegation associated itself with the statement made on the agenda item under consideration on behalf of the Group of 77 and China. In the Organization's current financial situation arising from the non-payment of assessed contributions, it was all the more important to comply with the recommendations of the Board of Auditors and other oversight bodies.

13. The report on UNITAR raised concerns about the lack of available funds to secure the long-term future of the General Fund and that the Special Purpose Grants Fund had also incurred deficit balances for a number of projects. His delegation concurred with the Board's recommendations in that regard as well as those relating to programme management. Nevertheless, he noted with satisfaction that the Institute had established detailed agreements with partner institutions for the first phase of the climate change programme.

14. His delegation shared the concern expressed by the Board that the differences between United Nations Headquarters and UNITAR on the treatment of long-outstanding charges had not been resolved and agreed with the Advisory Committee's recommendation to seek the advice of the Office of Legal Affairs in order to settle that issue.

15. Having been host to the single largest refugee population in the world, Pakistan attached great importance to the activities of the United Nations High Commissioner for Refugees (UNHCR). A number of issues identified by the Board of Auditors required immediate attention by the Administration, including deficiencies in programme planning, monitoring and evaluation, procurement planning and selection and irregularities in the use of consultants. His delegation fully endorsed the Board's recommendations in paragraphs 81, 85, 87, 90, 92, 94, 96 and 98 of document A/52/5/Add.5.

16. While welcoming the fact that UNHCR had improved its procurement procedures, he nevertheless noted that in 1996, UNHCR had awarded 74 per cent of contracts to 13 developed countries and that 75 per cent of the value of contracts had also been awarded to suppliers in those countries. UNHCR should broaden its supplier base and increase the purchase of goods from developing countries, where its activities were usually concentrated.

17. With regard to asset management, his delegation agreed with the Board's recommendation (A/52/5/Add.5, para. 113) that UNHCR should carry out expeditiously a physical verification of all its assets.

18. Finally, regarding the duration of the term of office of Board members, his delegation had reviewed the issue in detail and would favour a four-year term of office, renewable once.

19. **Mr. Zhou Qiangwu** (China) said that his delegation endorsed the statement made on agenda item 113 on behalf of the Group of 77 and China. It was a matter of concern that UNHCR, not having received the necessary financial reports from its implementing partners, was unable to confirm how the latter had applied the funds allotted to them. In accordance with the Board's often repeated recommendation, UNHCR should make a full assessment of the capability of implementing partners. The ability to submit audit certificates on time should become a requirement for their selection.

20. As for procurement, his delegation reiterated that UNHCR should emphasize both cost-effectiveness and a wider geographical distribution among its suppliers, with a particular effort to increase its purchases from developing countries.

21. Noting that the percentage of programme delivery and administrative support costs to the total programme budget had increased from 27.3 per cent in 1994 to 35.7 per cent in 1996, his delegation agreed with the Board that that expenditure should be reviewed and that norms should be established. China also agreed with the Board's recommendations concerning the definition of project objectives, the preparation of work plans and the use of performance indicators. Regarding human resources management within UNHCR, his delegation wished to know why the same consultants had been engaged repeatedly to

do the same work, and why the roster of consultants had been used so little. UNHCR should take corrective measures. As for the United Nations Institute for Training and Research (UNITAR), his delegation was pleased to note that the Institute's assistance programmes were clearly defined and generally well executed. It was however a matter for concern that the General Fund was not provided with the necessary financing.

22. **Sir John Bourn** (Chairman of the Board of Auditors), responding to comments from delegations, welcomed the Committee's favourable response to the presentation of the Board's reports, and said he was pleased to note that the recommendations contained in the reports had received support from a great number of delegations. The Board would continue to follow closely the implementation of its recommendations, particularly those concerning recurring irregularities. It would of course focus its attention on matters requiring improvement, but it was nevertheless important, as Norway had suggested, to draw attention to examples of good management, healthy practices and standards for others to follow.

23. The Japanese delegation had recalled the difficult conditions under which bodies such as UNHCR operated. The Board recognized those constraints and endeavoured to show how they might be overcome. It would look again at that aspect to see whether a better approach could be found.

24. Responding to a question from the delegation of the United States of America, he said that the fact that UNITAR had not yet settled the issue of the deficits on Special Purpose Grants Fund projects was due to its interpretation of General Assembly resolution 47/227 as meaning that the cancellation of its debt applied to all former UNITAR debts, including those deficits (A/52/381, para. 3), whereas the United Nations considered that the deficits must be made good by the donors concerned (A/52/5/Add.4, para. 35). The Board had recommended that the Institute should assess the collectability from donors of the amounts outstanding. The Advisory Committee, for its part, had recommended that the United Nations should seek the advice of the Office of Legal Affairs on the matter (A/52/518, para. 17). In any case, the issue needed to be settled without further delay.

25. Finally, responding to a question by the United States delegation, he said that the Board hoped to finalize its reports on the Integrated Management Information System and the International Civil Service Commission in December 1997, so that they could be available in January 1998. He also informed the Committee that the Board had held a first tripartite meeting the previous week with the Joint Inspection Unit and the Office of Internal Oversight Services.

26. **The Chairman** said that, if there were no objections, he would take it that the Committee had concluded its general discussion on agenda item 113.

27. *It was so decided.*

Agenda item 121: United Nations common system

28. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) introduced the twenty-third annual report (A/52/30) of the International Civil Service Commission (ICSC), which described the work of the Commission regarding substantive issues requiring action by the General Assembly. Concerning the consultative process, he said that the Commission attached great importance to dialogue with its interlocutors, and was aware of the importance which the Assembly also attached to the consultative process. He recalled that over the past decade, the Commission had engaged in a continuous process of self-criticism, leading to improvements in the way in which the Commission functioned, as detailed in its reports. However, staff representatives had been absent from the Commission's proceedings for some time. At the request of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA), the Commission had, at its spring 1997 session, agreed to establish a working group on the consultative process and working arrangements, which had been scheduled to meet in July 1997. However, the Federation of International Civil Servants' Associations (FICSA) and CCISUA had requested a postponement of the meeting of the working group and the Commission had agreed that it should be held in mid-January 1998. Chapter III of the report provided further details. It was his firm view that a resumed dialogue depended upon the good will of all concerned; for its part, the Commission would leave no stone unturned to resolve the current impasse, and trusted that its interlocutors would do no less.

29. A management audit of the Commission had been undertaken in summer 1997 by the Board of Auditors, in response to a request by the General Assembly in its resolution 51/216. The auditors, who had spent some 12 weeks in the Commission's offices familiarizing themselves with its working methods, had also had an opportunity to engage in discussions with representatives of the organizations and of the staff. He understood that the auditors' report would be presented to the Assembly at its current session; the Commission would, of course, communicate its reactions to the auditors' recommendations.

30. The Commission had concluded its technical consideration of the methodology for establishing a single post adjustment index for Geneva, but it had deemed it necessary to draw the Assembly's attention to the legal implications of that method. It was a complex issue on which careful consideration by the Assembly was needed. He drew attention to Chapter IV and to annexes VII to XIV of the report.

31. Chapter V of the report contained the results of the Commission's review of the methodologies for surveys of best prevailing conditions of employment at Headquarters and non-Headquarters duty stations. The Commission had been assisted by a working group established for the purpose, which had undertaken an analysis of the Flemming principle, comparing it with the Noblemaire principle. He recalled that the Commission had adjusted its programme of surveys on conditions of employment at Headquarters duty stations, as had the organizations for non-Headquarters duty stations, pending the Assembly's discussion of the application of the Flemming principle. The revised methodologies had an implementation date of 1 January 1998. The Commission and the United Nations Joint Staff Pension Board had cooperated closely regarding the definition of criteria for establishing the non-pensionable component.

32. The Commission had also reviewed the methodology for determining the level of the education grant. Since the methodology was working well on the whole, the changes to be introduced in 1998, which were described in chapter VI, part A, of the report, were relatively minor.

33. As for standards of travel and per diem, the Commission's consideration of the issue had been necessarily limited in scope, given the complexity of the issue and the limited time available. However, the Commission considered that its recommendations on the issue contained in chapter VI, part D, of the report, contributed to greater uniformity, while at the same time leaving room for increased flexibility. The Commission would report at a later date on other travel-related issues.

34. Demonstrating its resolve to take an open and flexible approach, the Commission had organized a forum on new directions in human resource management at Glen Cove, New York, just before its summer 1997 session. Participants had included members of the Commission and its secretariat and of the Consultative Committee on Administrative Questions (CCAQ). With the objective of strengthening the common system and ensuring its continuing relevance, the participants had identified some of the key characteristics of the common system of the future and selected several themes for immediate follow-up. That experiment – the first of its kind – had been deemed a success. ICSC believed that such an innovative approach could have positive repercussions on its working methods and help to foster dialogue.

35. The Commission had proposed a flexible framework for cash performance awards and bonuses based on the comprehensive performance management package put forward in 1994 and supplemented with additional policy guidance. It was recommending that agencies should design programmes attuned to their particular needs, provided that their performance appraisal systems were robust enough to support a cash reward system. It had also updated its recommendations in the area of underperformance and was in the process of drafting a policy booklet and a "best practices" manual to assist organizations in refining their performance management systems. Its approach also included the possibility of introducing, in organizations with well-evolved performance appraisal systems, pilot full performance pay systems in close cooperation with ICSC and its secretariat. He urged the General Assembly to study the Commission's recommendations carefully and to endorse them.

36. In response to a request by the General Assembly, the Commission, aided by the findings of a working group, had reached conclusions on new contractual arrangements for staff performing time-limited functions. It had developed principles and guidelines applicable to assignments of limited duration to ensure that they did not impinge on the core international civil service. Until the long-term impact on the common system could be assessed, the Commission believed that limited-duration schemes should remain in pilot project status. Chapter VI of its report contained a summary of the Commission's review of the question, and annex XX presented the principles and guidelines it was proposing.

37. With regard to the current reform process, he drew attention to the fact that the Commission had not been consulted, either on the reform in general or on specific proposals, not even those that called for a re-examination of its mandate. The Commission, which had engaged in several self-examination exercises, had taken a number of initiatives in the human resource management field and had proposed innovative approaches to agencies with a view to revitalizing the international civil service, as requested by the General Assembly in resolution 51/216. Strengthening the staff could not be achieved by casting doubt among Member States as to the competence of the expert bodies which had direct responsibility for personnel matters. Nonetheless, the Commission was ready to make its contribution, and, during

the coming year, it would reassess the relevance of its earlier personnel policy work with a view to producing an updated, flexible human resources policy framework for the common system. It remained convinced that it had a vital role to play in shaping the common system of the twenty-first century.

38. **Mr. Scherzer** (President, Federation of International Civil Servants' Associations (FICSA)) said that he shared the view of the Secretary-General on the need to refocus the work of the General Assembly on issues of the highest priority. Among the issues of greatest concern to the Federation, the consultative process took priority. ICSC had not accurately portrayed in its report the reasons why staff representatives had decided not to participate in the working group on the consultative process scheduled for July 1997. The staff representatives had not acted on a whim, but because of two important factors: the lack of an impartial facilitator and the fact that the Federation had been informed of that situation only five days before the meeting was to start. That type of failure on the part of ICSC, along with its inability to make improvements, were the main reasons for the Federation's withdrawal. The Commission had also been criticized by the Consultative Committee on Administrative Questions (CCAQ), which had commented at its summer session that the meeting of the working group had been poorly prepared. In his view, those problems could have been avoided if Member States had not opted to have ICSC represent them in a group set up expressly to review the Commission's own work.

39. Nonetheless, staff representatives would press on with their attempts to improve the consultative process. They were encouraged by the statement of the Secretary-General in his reform proposals that staff must be fairly compensated and their conditions of service must be determined in an objective manner. The Secretary-General rightly believed that a re-examination of the composition, mandate and functioning of the Commission would contribute to the success of his reform measures. The Federation believed that staff had been denied the right to question matters, advance proposals and negotiate outcomes, and no provision had been made for a truly equitable body whose technical competence and impartiality were universally recognized. In cases of dispute, the sole recourse open to staff was litigation. If nothing changed, that time-consuming and expensive process would be the only means by which staff could check the arbitrary revision of General Service salary survey methodologies and stem the erosion of their salaries. Senior General Service staff, who represented the institutional memory and the pillars of most organizations, would be particularly hard hit. Litigation would also be the only way to counter attempts to amend the post adjustment index in Geneva, which had legal flaws of much greater significance than recognized by the United Nations Legal Counsel.

40. Rather than press for decisions that were legally unsound or were detrimental to the staff, Member States should appeal to all parties to study the consultative process anew and propose a more equitable system in keeping with modern administrative principles. They should also start from the assumption that staff members had integrity, rather than stressing command and compliance. Acceptance of the integrity of staff members could have been a redeeming feature in the new Code of Conduct, if such a code were really necessary. That Code was based on the premise that all members of the international civil service were potentially capable of wrongdoing. Furthermore, it patently discriminated against staff representatives and their fundamental right of association. It also infringed on staff members' basic right to privacy and personal freedom; thus, the draft Code was unacceptable.

41. Member States must recognize the talents and dedication of the vast majority of staff, which the Secretary-General had noted in his reform proposals, while reaffirming his strong attachment to the Noblemaire and Flemming Principles. They must support an increase in the margin range set for Professional salaries and check the downward spiral in General Service salaries set in motion five years earlier. In its report to the Fifth Committee, the Federation had made a series of recommendations. It attached particular importance to the security measures accorded to international staff, which must be extended to locally recruited staff who were nationals of the host country. Such a decision would eliminate a major inequality.

42. In a changing world, attitudes must change as well, in order to master the problems brought about by that change. A change in the operations of the International Civil Service Commission would be an excellent place to start.

43. *Ms. Daes (Greece), Vice-Chairman, took the chair.*

44. **Ms. Waters** (President, Coordinating Committee of International Staff Unions and Associations (CCISUA)) said that staff, who had participated in a worldwide demonstration on 13 November in defence of the international civil service, felt under attack from all sides. Security of staff had never been more threatened; therefore the United Nations Staff Union would hold the first Summit on the security and independence of the international civil service in New York on 19 November 1997. That meeting would focus specifically on crisis and hostage situations. A second Summit was already planned for February 1998, and

CCISUA hoped that all Member States would participate in those events.

45. The reform process and the financial crisis had also taken their toll on the staff. CCISUA was confident that Member States, as conscientious employers, would take the necessary action. The concepts of accountability and responsibility did not apply only to the staff and management of the organizations.

46. The Secretary-General had often said that he expected excellence from international civil servants. In accordance with Article 101 of the Charter, the Organization was required to secure the services of staff of the highest standards. The international civil service had consistently met those expectations, but there was a price to be paid for excellence. Neither professional nor general service salaries were competitive. The latest revisions in the general service salary methodology, which would take effect on 1 January 1998, were specifically designed to erode salaries in that category, in direct contravention of the Flemming principle. Since the comparator was no longer the highest paid civil service, the Noblemaire principle was no longer being applied. In order to remedy that situation, the Consultative Committee on Administrative Questions (CCAQ) had recommended that the margin should be revised from 110-120 to 120-130.

47. It should be noted that those important issues had been taken up at a time when both staff federations had been boycotting ICSC for reasons which they had clearly explained, which were shared by the administrations. Indeed, the Secretary-General had included a review of the mandate and functioning of ICSC as part of his reform package. CCISUA intended to participate with an open mind in the meeting of the working group on the consultative process of ICSC to be held in January 1998, and to try to resolve the issues that had prevented it from participating in the work of the Commission. It therefore urged the General Assembly to defer implementation of the revised salary survey methodology for general service staff until it received the detailed report of the working group, which would address such issues as the objectivity and technical competence of the Commission.

48. The question of establishing a single post adjustment for Geneva was another issue of concern. Aware of the problems it raised, and wishing to avoid lengthy and costly litigation, CCISUA fully supported the agreement reached by the administrations of the Geneva-based organizations that there should be no change to the status quo.

49. CCISUA was happy to be part of the reform process undertaken by the Secretary-General to chart a new direction for the Organization and improve its efficiency. The views of the staff must be an integral part of that process and the Secretary-General had made a request to that effect to heads of departments, but they had eluded meaningful consultation with the staff. There was also manipulation of posts, and staff members continued to be switched from established posts to posts funded by extra-budgetary sources. Staff representatives, who often had no access to staffing tables, had no means of verifying whether those transfers had been motivated by personal considerations. She therefore urged Member States to strive to ensure that staff representatives were fully integrated in the consultative process on reform issues, in accordance with the Secretary-General's request.

50. CCISUA was also concerned about the decentralization of decision-making at the country level and consolidation of the United Nations presence under a single representative. It urged that any delegation of authority should be accompanied by clear guidelines, including penalties for abuse of authority. The establishment of "United Nations houses" could lead to the abolition of posts, and some agencies were already attempting to reserve posts for their own staff. There was an urgent need to set up an inter-agency mechanism, with full staff participation, to monitor transparency and fairness in the process of the merger of various entities.

51. The justice system of the Secretariat was in serious trouble – there were delays in the hearing of cases brought before the Joint Appeals Board, and a shortage of qualified counsel to defend appellants; moreover, unanimous recommendations were no longer supported by the administration. CCISUA hoped that the Task Force on Human Resources Management would deal quickly with the issue. However, it was also imperative that an independent review of the justice system should be conducted without delay. The review, which would be conducted by a staff-management working group, could include the possibility of merging the United Nations Administrative Tribunal and the Administrative Tribunal of the International Labour Organization.

52. The staff-management consultative machinery had completed its consideration of the draft code of conduct, which the Secretary-General had made the cornerstone of his reform process. It was gratifying that the code included provisions whereby, for the first time, the Secretary-General would have an obligation to take steps to provide minimum standards of living for staff in the field and ensure their security. CCISUA believed, however, that the necessary provisions should also be included in the code to ensure the effective implementation of universally recognized norms and principles in connection with the rights and

responsibilities of management and staff, guarantees of due process rights, clear accountability of managers, and the rights of staff representatives. It recommended that the code of conduct should be reviewed by the Sixth Committee prior to its adoption by the General Assembly.

53. CCISUA was concerned about the term limits on staff representatives imposed by the General Assembly in resolution 51/226. The constant turnover of staff representatives was liable to result in the loss of institutional memory and staff would be denied the right to choose their own representatives through the democratic process. CCISUA therefore appealed to Member States to repeal that measure.

54. Member States should improve the career development of all staff by monitoring the establishment of a comprehensive career development system, as requested by the Assembly in resolution 51/226, and by putting forward candidates only for entry-level Professional posts and political posts. She also drew attention to the impact of the financial crisis on the staff. Health and safety conditions were deplorable. Furthermore, the staff were victims of completely unjustifiable attacks. Interpreters struggled to uphold the highest standard of service in poorly-ventilated, dusty and cramped booths; the staff involved in producing documents in the various languages had been cut by nearly half, while the volume of documentation had doubled, and tripled. There had indeed been some cases of fraud and embezzlement at the United Nations, as in any national civil service, but those cases involved only an extremely small minority.

55. CCISUA therefore urged Member States, as employers, to impose on themselves the standards they imposed on the management of the United Nations – fairness, accountability and transparency. It also called on them to support and defend the organization's staff, to seek their views before making decisions which affected them, and to ensure that they were treated with respect and dignity. Member States should have confidence in the staff, allow General Service staff a fair career structure by protecting P-2 and P-3 posts from abolition and by not placing unfair restrictions on the competitive examination for promotion to the Professional category, continue to monitor the phasing-out of gratis personnel, and create a structure where career appointments formed the foundation. In an atmosphere conducive to growth, the international civil service would be able to demonstrate its excellence.

56. **Mr. Saguier Caballero** (Paraguay), speaking on behalf of the Rio Group, said that he noted with satisfaction the progress made by the International Civil Service Commission in such areas as the methodology for determining the level of the education grant, performance management and appointments of limited duration. He welcomed the fact that after consultation with CCISUA and FICSA the Commission had agreed to the establishment of a working group to review its consultative process and working arrangements. He noted that, at the request of the staff associations and unions, the Commission had postponed the meeting that the Working Group was to have held in July 1997; he hoped that the Group's work would facilitate finding a solution to the problems in question.

57. Regarding the Geneva post adjustment, he said that the Commission had indicated in its report that, when calculating the post adjustment, it would be possible to take into account the cost of living in the border areas of France. However, before adopting the changes proposed, it would be necessary to carry out a cost-benefit analysis in order to avoid the risk of a split in the common system.

58. The Rio Group suggested that the General Assembly should take note of the changes in the methodologies for surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations that the Commission proposed to make in order to determine the conditions of employment of General Service staff, as it was entitled to, upon completion of the study called for in resolution 51/216. The Assembly should also authorize the Commission to proceed with the surveys it had postponed at non-headquarters duty stations. Regarding travel standards and subsistence allowance, the Rio Group believed that the specific needs of each organization should be taken into account; the Commission should consider the matter further, in the light of the existing general guidelines on official travel.

59. With regard to performance management, the Commission had succeeded in preparing flexible general guidelines taking into account the particularities of each organization. The Rio Group attached great importance to the principles and guidelines the Commission had drawn up concerning staff whose performance was unsatisfactory. Another very welcome recommendation of the Commission was the establishment, on an experimental basis, of a system of performance awards or bonuses. The Commission should report to the Fifth Committee on the outcome of pilot projects undertaken in that area.

60. The Rio Group also noted that the Commission had taken the initiative of holding a forum on new directions in human resources management, and that it had approved the use of pilot schemes for appointments of limited duration. Such innovations proved that the common system could be

applied with flexibility. Lastly, the Commission's experience could be put to good use in the programme for the reform of the United Nations; the Rio Group asked the Chairman of the Committee to provide specific examples on items with respect to which the Commission could make a contribution.

Agenda item 153: Human resources management (*continued*) (A/52/438 and A/52/574; A/C.5/51/55 and Corr.1 and A/C.5/52/2)

61. **Ms. Salim** (Assistant Secretary-General for Human Resources Management), introducing the report on the amendments to the staff rules (A/52/574), said that the bulk of the proposed amendments would allow for the implementation of the family leave programme described in document A/52/438, which was applicable to staff governed by the 100 series of the staff rules, and, to an extent consistent with their terms of appointment, to staff governed by the 200 series.

62. The 100 and 200 series were also amended to reflect General Assembly resolution 51/216, which had introduced a five-year time-limit on payment of the non-removal element of the mobility and hardship allowance.

63. Lastly, two rules in the 200 series were cancelled to align the conditions of service of project personnel relating to group life insurance and medical care with those of staff governed by the 100 series.

64. **Mr. Darwish** (Egypt) noted that there was some overlapping between the activities of the Office of Human Resources Management and those of the administrative services of other offices and departments. He would like information on any measures taken to remedy that situation. He supported the new performance appraisal system described in document A/C.5/51/55. As the system stressed results, such as the method of management by objectives, whose effectiveness was no longer in doubt, it was to be hoped that it would enable staff to adapt continuously to the changing needs of the Organization. His delegation noted with concern, from paragraph 17 of the Secretary-General's report, that significant obstacles had been encountered in implementing it. While regular appraisal of professional performance was important, some control must be exercised to ensure appraisal objectivity.

65. The family leave programme described in document A/52/438 should help to improve staff morale, and thus efficiency. His delegation approved of the measures described in paragraphs 12 (a), (b) and (d), but had reservations about paragraph 12 (c), whereby staff members would be authorized to take four years' special unpaid leave and be assured of reabsorption in the Organization at the end of that time. Given the changing needs of the Organization, such staff members should perhaps complete a retraining programme or be re-examined before resuming their posts. The Secretariat should provide some clarification on the matter.

66. Referring to document A/C.5/52/2, he reaffirmed that the privileges and immunities of United Nations officials must be respected to enable them to perform their duties without fear for their safety. Measures must be taken to ensure that no official was ever again killed or taken hostage.

67. Finally, he said that his delegation supported the equitable distribution of posts between men and women in the Secretariat, on the understanding, however, that candidates were selected solely in the interest of efficiency.

68. *Mr. Chowdhury (Bangladesh) resumed the Chair.*

69. **Ms. Durrant** (Jamaica) supported the measures taken by the Secretary-General to modernize personnel management in accordance with a strategy based on an integrated approach and to incorporate transparent systems for performance appraisal and training. An objective performance appraisal system was a central element of any strategy to build a competent and motivated staff, and her delegation noted with satisfaction that staff members had been invited to become actively involved in every stage of the process of implementing the new system. She trusted that the need for simplification of the system as perceived on the completion of one full performance cycle would be addressed and that the system would be subjected to regular review.

70. Her delegation awaited with interest the Secretary-General's proposals for the introduction of a system of performance awards or bonuses. The system should not be considered as a substitute for improvement in remuneration and must be seen to be objective and transparent. Given the staffing changes to be expected in the years to come, it was gratifying to note the importance attached to training in the reform programme and in the proposed budget of the Office of Human Resources Management for the 1998-1999 biennium. Training should be multidisciplinary, reflect the agenda of the United Nations and embrace all categories of staff, in particular junior professionals and staff in the General Services category who passed the examination for transfer to the Professional category.

71. Her delegation shared the concern of the Secretary-General and other Member States about the safety of staff. She noted with regret that 22 persons had lost their lives in the service of the Organization during the period covered by the Secretary-General's report on the question and that many

more had been subjected to all kinds of attacks. Staff safety should not be neglected simply for budgetary reasons.

72. One important goal was to improve the representation of women at all levels of the Secretariat. Her delegation was convinced that that could be achieved without sacrificing the demands of efficiency, and looked forward to the report of the task force which the Secretary-General proposed setting up in his report on reform. Finally, she paid tribute to the staff of the Secretariat who, despite many difficulties, continued to serve the international community and the ideals of the United Nations with competence and complete independence.

73. **Mr. Maddens** (Belgium) speaking on behalf of the European Union, said that the following States associated themselves with his statement: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Norway, Poland, Romania and Slovakia. The delegations on behalf of whom he was speaking were well aware of the importance of the role of the Secretariat and its staff and supported the Secretary-General's strategy to modernize human resources management, as well as his reform programme proposals. Both the stated objectives and the approaches proposed should strengthen the international civil service in accordance with the principles of the Charter, and the States for which he was speaking intended, in due course, to make suggestions to the task force to be set up by the Secretary-General.

74. The European Union supported the phased introduction of a system of performance awards or bonuses on the basis of the principles described by the Secretariat in his report (A/52/439), but believed that non-monetary rewards should be introduced at the start, until such time as the appraisal system became more effective. While the principles on which the system was based were sound, the procedures needed improving, as noted in paragraph 25 of document A/C.5/51/55. In particular, proposals should be submitted as soon as possible to the General Assembly for the establishment of a system of performance-related incentives and rewards and the Secretariat should indicate when it would make proposals for a closer link between the appraisal system and staff development and career support mechanisms.

75. The European Union fully supported the conclusions of the report on the family leave programme (A/52/438). With regard to paragraph 12 (b) of that document, he stressed that staff should be allowed freedom of choice. In his view, that was one aspect of the implementation, within the framework of human resources management, of the principle of equality between the sexes, to which the European Union attached special importance.

76. He supported the recruitment of young staff members through national competitive examinations and, in the light of General Assembly decisions and the Secretary-General's proposals for a younger Organization, it was surprising that the number of P-2 and P-3 posts should be so small compared to those at the P-4 and P-5 levels. Recruitment procedures were too slow and cooperation between the examinations and recruitment services must be strengthened.

77. Failure to respect the privileges and immunities of officials of the United Nations and the specialized agencies and related bodies was an attack on the Organization itself. Respect for the privileges and immunities and the guaranteed safety of all staff, including local personnel, was essential for the success of the frequently dangerous operations to which they were assigned. Host governments and parties to conflicts must ensure that the relevant international instruments were respected. The Member States for which he was speaking noted the statement in document A/C.5/52/2 that, since 1 January 1996, 22 staff members had been killed in the service of the United Nations, including a national of one of those States. Those deaths had been the result of unacceptable violations of the Charter and international law and those responsible must be tried by the competent national authorities. He again called for the immediate release of Alec Collett and strongly condemned his disappearance in Lebanon in 1985 as an act of terrorism. Finally, he whole-heartedly supported the Secretary-General's efforts to ensure the safety and protection of all United Nations staff members, regardless of their contractual status.

78. **Mr. Retta** (Ethiopia) said that annex I to the report on the privileges and immunities of officials of the United Nations (A/C.5/52/2) contained the names of three international civil servants detained in Ethiopia since 1991, 1993 and 1997, respectively. Those individuals had been arrested because of their alleged participation in a genocide known as "Red Terror".

79. The international community knew that genocide and gross human rights violations had been committed in Ethiopia for nearly two decades, resulting in thousands of deaths and millions of displaced persons. Owing to the magnitude of the genocide, the trial, which had begun in 1991, was inevitably long and complex; the arrest of the three international civil servants awaiting judgement must be viewed in that context.

80. All three of the persons in question were Ethiopian nationals and had been detained not for activities carried out

in their capacity as international civil servants, but rather for acts they had committed as individual citizens that were not covered by diplomatic immunity. The specialized agencies of the United Nations had been duly informed of that fact.

81. Annex II to the report contained the names of two United Nations staff members who had been on board the Ethiopian Airlines aircraft which had been hijacked by terrorists and had then crashed on 23 November 1996 in the Comoros. He stressed that, since the aircraft was the property of Ethiopian Airlines, his Government had carried out all the necessary investigations and informed the public and the victims' families of its findings. Ethiopian Airlines had taken all the necessary measures to compensate the families. The exercise had been promptly carried out, in accordance with national and international law and to the satisfaction of the victims' families and the Ethiopian Government.

82. **Mr. Farid** (Saudi Arabia) said that his delegation welcomed the efforts made in the field of training, particularly in connection with the programmes for peacekeeping operations personnel and staff members in the field. It supported the introduction of a system of monetary awards, and believed that any staff member who had carried out functions corresponding to a post at a higher level should be promoted. It encouraged the Secretariat to develop the career planning system. It strongly opposed practices aimed at circumventing the recruitment rules, particularly through the conversion of posts. His delegation would appreciate details regarding the mandate of consultants; their selection, which should be done on a broader basis; and their evaluation. He requested a list of consultants that indicated their geographical distribution and the amounts paid to them in 1996. Lastly, the Performance Appraisal System was a useful tool, which should, however, be developed further.

83. **Mr. Atiyanto** (Indonesia), referring to document A/C.5/51/55 on the Performance Appraisal System, said that his delegation noted with satisfaction that managers and staff had communicated their views about the system, which enabled the Secretariat to improve it. The vital role of the monitoring committees, namely the Management Review Committees, the Joint Monitoring Committees and the Global Joint Monitoring Committee, must be stressed. His delegation was awaiting additional information on the steps taken to strengthen links between the Performance Appraisal System, staff development and career support mechanisms.

84. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) replied to the questions which delegations had posed. Concerning the number of staff members who had participated in the Performance Appraisal System during its first year, she said that, during the 1996/97 cycle, the system had been launched in 24 departments and offices of the Secretariat and that, during the current cycle, it had been extended to other units; the expectation was that it would be universally applied during the next cycle.

85. With regard to the training of managers, she confirmed that all managers – indeed, all staff at all the major duty stations – had received training during the 1995/96 cycle. During the second half of 1996 and early 1997, training had been conducted for some missions and multinational programming and operational centres (MULPOCs). Capacity-building programmes for managers had been introduced. A videotape had been produced in order to introduce the Performance Appraisal System to staff at the small offices, such as the information centres and MULPOCs, to those staff members who had missed the training courses and to newly recruited staff members.

86. Replying to a question on methods of evaluating the Performance Appraisal System, she said that, in the Secretariat's view, the introduction of the system was a long-term operation; it must be understood that the foremost objective of the Organization during the first year had been to disseminate the general principles: work planning, priority-setting, monitoring, feedback, review and appraisal. Given the initial resistance to the system, the priority had been to ensure that it gained acceptance. The Office of Human Resources Management had decided to monitor its implementation and had requested feedback from managers and staff members who had participated in the system during the first year. All heads of department and all staff associations had been requested to inform the Office of their concerns and to formulate recommendations on improvements to the system with a view to making it an effective performance management tool. Forums and procedures were beginning to be changed on the basis of the information received. The new system would be considerably simpler and sufficiently flexible to be used in the various fields of activity of the Secretariat.

87. In reply to the question concerning departments and offices where the system had not yet been implemented, she explained that the delay in some departments could be attributed to specific measures which had had to be taken at the end of 1995 in order to deal with the financial crisis. Moreover, in a small number of departments and offices, the delay was due to restructuring and managerial changes. Those departments and offices were being monitored in order to ensure that the system was fully implemented during the 1997/98 cycle.

88. With regard to the family leave programme, one delegation had enquired about "exceptional" cases in which the special leave without pay that could be taken after the birth of a child could be extended for two years. That extension would be granted only in rare and very specific cases, such as the birth of a handicapped child or a child who needed special medical treatment.

The meeting rose at 12.50 p.m.